

Message Text

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16

ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-04 INR-05 LAB-01

NSAE-00 RSC-01 SIL-01 DODE-00 PM-03 H-01 L-02 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 /059 W

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R 220635Z OCT 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 6561

INFO CINCPAC

C O N F I D E N T I A L SEOUL 7023

E.O. 11652: GDS

TAGS: AFSSO, ELAB, KS

SUBJECT: USFK WAGE OFFER RUNS INTO DIFFICULTY

1. BOTH FOREIGN ORGANIZATION EMPLOYEES' UNION (FOEU) AND ROKG HAVE NOW DECLARED THAT USFK WAGE INCREASE OFFER OF 16.4 PERCENT BASED ON WAGE SURVEY INADEQUATE IN LIGHT OF ROKG WAGE STATISTICS AND COST OF LIVING INCREASES.

2. DIRECTOR GENERAL, OFFICE OF LABOR AFFAIRS (OLA) TOOK UNUSUAL STEP OF SENDING LETTER TO COMUSK CHIEF OF STAFF REQUESTING FURTHER ADVANCE OF IMPLEMENTATION DATE AND AVERAGE WAGE INCREASE OF 20 PERCENT. THIS WAS FOLLOWED BY FORMAL MOFA REPRESENTATION TO EMBASSY ALONG SIMILAR LINES. SO FAR, HOWEVER, ROKG HAS NOT REQUESTED THAT MATTER BE DEALT WITH IN SOFA.

3. TO DATE FOEU HAS TAKEN TOUGH STAND REJECTING USFK OFFER AND THREATENING TO STRIKE BEGINNING OCT 29 IF NO FURTHER CONCESSIONS FORTHCOMING. OLA, WHILE PUBLICLY DECLARING THAT STRIKE INADMISSIBLE, HAS PRIVATELY SAID THAT ITS POWERS TO PUNISH UNION AND FORCE WORKERS TO STAY ON JOB LIMITED.

4. BOTH OLA AND FOEU LEADERSHIP CLAIM PRIVATELY THAT MOST DIFFICULT JOB NOW IS TO CONVINCE RANK AND FILE TO ACCEPT SURVEY

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RESULT AND ASK EMBASSY AND COMUSK FOR HELP. MOREOVER, UNION

HAS SPECIAL DIFFICULTY SINCE WAGE INCREASE OF BLUE COLLAR WORKERS AND LOWER CLERICAL GRADES IS IN 12-14 PERCENT RANGE, YET THESE ARE GRADES MAKING UP BULK OF UNION MEMBERSHIP. IF 4.2 PERCENT OF THAT INCREASE IS DEDUCTED FOR LUMP SUM SPRING BONUS INCREASE, THE IMMEDIATE PAYROLL INCREASE OF THESE WORKERS IS LESS THAN 10 PERCENT.

5. USFK AND EMBASSY OFFICER PARTICIPATING IN WAGE SURVEY, BELIEVE IT CARRIED OUT HONESTLY, AND LOW RESULT MAY REFLECT FACT THAT ACTUAL WAGE INCREASES OF MANY KOREAN COMPANIES LESS THAN PUBLICLY INDICATED TO GOVERNMENT. BECAUSE OF CONFIDENTIAL BASIS ON WHICH DATA FURNISHED JOINT US-ROK REVIEW MOST DIFFICULT AND LIKELY TO LEAD TO LENGTHY LITIGATION.

6. EMBASSY AND COMUSK ARE FOLLOWING SITUATION CLOSELY.
SNEIDER

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